

Annual Report



For the Year Ended April 30, 1976

CAPITALIZATION

 Authorized
 Issued

 Common Shares
 5,000,000
 3,009,931

OFFICERS AND DIRECTORS

DIRECTORS

K. B. Andras	Toronto,	Ontario
Murray Axmith	Toronto,	Ontario
W. Noel O'Brien	Toronto,	Ontario
Walter R. Packman Po	rt Credit,	Ontario
B. E. WILLOUGHBY	Toronto,	Ontario

OFFICERS

Murray Axmith Pres	ident
K. B. Andras Vice-Pres	sident
Walter R. Packman Secretary-Trea	surer

TRANSFER AGENT

Guaranty Trust Company of Canada

EXECUTIVE OFFICERS

Suite 202, 220 Bay St., Toronto

Directors' Report

TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the Saskatchewan Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario on August 11, 1976 at 10:00 A.M. The Financial Statements for the year ended April 30, 1976 are enclosed with an Information Circular and a form of Instrument of Proxy.

Manitoba and Saskatchewan — Flin Flon Project

During 1975 Canex Placer Limited dropped its participation in the Flin Flon project, a decision no doubt influenced by the political-economic environment at the time. Since then Consolidated Morrison Explorations Limited on behalf of the original participants has negotiated an agreement with the Saskatchewan Mine Development Corporation for the further exploration of the 180,000 acres held in Saskatchewan. The terms of the arrangement will be that the SMDC will provide \$300,000 of the first year's budget of \$400,000, \$250,000 of the second year's budget of \$400,000 and then the SMDC and the original participants will share expenditures jointly on a 50-50 basis. Work has commenced with the completion of a further airborne electromagnetic survey which data is now being processed. These results will determine the drill targets for this year's budget expected to commence shortly. The Manitoba permit in this area expired last year and the participants staked 41 claim blocks totalling 19,126 acres to protect the favourable geology. Separate negotiations are underway to have these claim blocks explored.

SASKATCHEWAN — GEIKIE RIVER — RUSSELL LAKE AREA

Your Company as to 40% along with Calvert Gas & Oils Limited and Combined Metal Mines Limited each as to 30% less a vendors interest participated in the staking of two claim blocks totalling 22,960 acres about 20 miles Northeast of the Inexco uranium discovery. The Saskatchewan Mines Development Corporation has notified Goldray that they will participate in the exploration project to earn a 50% interest. An airborne magnetic and radiometric survey has just been completed and the data is currently being processed. A ground follow-up program is being planned.

LAC DES ISLES — SHELBY LAKE — ONTARIO

Goldray along with Combined Metal Mines Limited jointly hold an option on 36 claims in this area. Further ground work and drilling has been recommended as a result of a ground survey. Due to Texas Gulf dropping its option on the Boston Bay discovery nearby and the recent prices of the precious metals contained it was thought advisable to arrange an extension of time on this option. Boston Bay agreed and the companies will now be required to complete the work within 90 days after Boston Bay recommences work on their property in order to hold the option in good standing. The exploration program will be reviewed at that time.

NORTHWESTERN ONTARIO

Your Company is negotiating for a participation in an uranium prospect in Southwestern Ontario.

COLUMBIUM DEPOSIT — JAMES BAY LOWLANDS

Goldray retains its interest in this deposit awaiting a more favourable economic climate for the product.

Your Company is participating in a number of active exploration programs and will continue to do so on its own or in association with other companies on ventures of merit.

On behalf of the Board of Directors,

MURRAY AXMITH.

President.

July 19, 1976.

GOLDRAY M

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Balance Sheet as

(With comparative

ASSETS

Current Assets	1976	1975
Cash	\$ 1,521	\$ 2,910
Short-term notes	40,000	54,000
Government bonds, at cost (market value 1976 — \$69,674; 1975 — \$71,164)	83,266	83,266
Sundry receivables and prepaid expenses	3,300	6,000
	128,087	146,176
INVESTMENT IN OTHER COMPANIES		
Listed shares, at cost (market value 1976 — \$250,763; 1975 — \$244,763)	247,872	256,125
Unlisted shares (nominal value)	1	1
Investment in shares of other mining companies (nominal value)	40	40
Investment in shares of Interprovincial Helicopters Limited (nominal		
value) (Note 3)	1	1
	247,914	256,167
Head Office, Furniture and Fixtures (at cost)	1,643	1,643
MINING PROPERTIES	484,001	472,721
Exploration, Development and Administrative Expenses (per attached statement)	777,977	764,960
	1,261,978	1,237,681
Incorporation and Organization (at cost)	3,785	3,785
	\$1,643,407	\$1,645,452

AUDITORS' REPORT

We have examined the balance sheet of Goldray Mines Limited as at Ap administrative expenses and changes in financial position for the year then ended of accounting records and other supporting evidence as we considered necessary in the

In our opinion, these financial statements present fairly the financial position of financial position for the year then ended, in accordance with generally accepted acc

Toronto, Ontario, June 1, 1976.

IES LIMITED

of the Province of Ontario)

April 30, 1976

gures for 1975)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	1976	1975
Accounts payable and accrued liabilities	\$ 6,957	\$ 10,948
Due to shareholders re 1942 distribution on realization of capital assets	10,120	10,120
	17,077	21,068
Shareholders' Equity		
CAPITAL AUTHORIZED 5,000,000 Shares of no par value ISSUED AND FULLY PAID		
3,009,931 Shares	3,009,931	3,009,931
Less: Discount	901,204	901,204
	2,108,727	2,108,727
DEFICIT ACCOUNT (per attached statement)	(482,397)	(484,343)
	1,626,330	1,624,384

On behalf of the Board of Directors:

W. R. PACKMAN, Director.

B. E. WILLOUGHBY, Director.

The accompanying notes form an integral part of these financial statements.

\$1,643,407 \$1,645,452

THE SHAREHOLDERS

0, 1976 and the statements of deficit account, exploration and development and ar examination included a general review of the accounting procedures and such tests cumstances.

e company as at April 30, 1976 and the results of its operations and the changes in ing principles applied on a basis consistent with that of the preceding year.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL,

Chartered Accountants.

STATEMENT OF DEFICIT ACCOUNT

For the Year Ended April 30, 1976 (With comparative figures for 1975)

	1976	1975
Deficit — May 1	\$ 484,343	\$ 378,458
Add: Mining properties abandoned — written off		7,659
Exploration, development and administrative expenses written off		97,188
Loss re investment in Interprovincial Helicopters Limited written		
down (Note 3)	7,500	-
	7,500	104,847
	491,843	483,305
Less: Profit (loss) on sale of investments (Note 1)	9,446	(1,038)
Deficit — April 30	\$ 482,397	\$ 484,343

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended April 30, 1976 (With comparative figures for 1975)

	1976	1975
Source of Funds		
Sale of listed shares	\$ 28,394	\$ 8,824
Profit on sale of investments	9,446	_
	37,840	8,824
Application of Funds		-
Loss re Interprovincial Helicopters Limited (Note 3)	7,500	
Loss on sale of investments		1,038
Purchase of listed shares	20,141	101,349
Acquisition of mining properties	11,280	1,500
Exploration and development and administrative expenses	13,017	9,769
	51,938	113,656
DECREASE IN WORKING CAPITAL	(14,098)	104,832
Working Capital — May 1	125,108	229,940
Working Capital — April 30	\$ 111,010	\$ 125,108

The accompanying notes form an integral part of these financial statements.

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

For the Year Ended April 30, 1976 (With comparative figures for 1975)

EXPLORATION AND DEVELOPMENT	1976	1975
Province of Ontario	. 500	Φ.
Wisner Lake Area — miscellaneous expenses James Bay Lowlands Project expenditures Red Lake Area	\$ 520 441	\$ — 250
Taxes and licenses	1,286	1,580
Wages	300	300
Shaft covering	3,030	
Insurance Shelby Lake area — line cutting	2,500	204 2,500
Manitoba and Saskatchewan permits	2,500	2,500
Geophysical survey and field expenses		1,852
Saskatchewan-Russell Lake area — miscellaneous expenses	353	
	8,655	6,686
Less: Rentals received	1,356	1,179
Sundry income Project Saskatchewan — adjustments to expenditures	4,881	500
110joet baskatonowan adjustments to expenditures ,	6,237	1,679
	2,418	5,007
HEAD OFFICE AND ADMINISTRATIVE EXPENSES		
Administrative salary — director	8,000	8,000
Office salaries	5,865	6,140
Legal and audit	3,559	4,050
Office rent	3,705	3,510
Printing and shareholders' information Office supplies and expenses	3,295 2,306	2,919 2,578
Transfer agent's fees and expenses	1,670	1.405
Travelling expenses	1,169	1,026
Interest and bank charges	115	939
Directors' fees	700	850
Taxes and filing fees Telephone and telegraph	1,605 831	820 786
Canada pension plan and unemployment insurance expense	504	480
	33,324	33,503
Less: Interest income	8,399	19,059
Dividend income	14,326	9,682
	22,725	28,741
	10,599	4,762
TOTAL EXPENSES FOR YEAR	13,017	9,769
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES — May 1	764,960	852,379
Property Drypy operation Appropriate Experience Wayners	777,977	862,148
Exploration, Development and Administrative Expenses Written off	_	97,188
EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES — April 30	\$ 777,977	\$ 764,960

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS April 30, 1976

Note 1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Due to the nature of the company's business, gains or losses on the sale of marketable securities are reflected in the statement of deficit.
- (b) Mining properties and deferred exploration and development expenses represent accumulated costs to date and are deferred until further exploration is considered to be unwarranted, or until commencement of production and are not intended to reflect present or future values.
- (c) Administration expenditures cannot be identified with specific property interests and are written off together with exploration costs applicable to specific projects on an arbitrary basis in a ratio of deferred development expenses for each project and total deferred development expenses incurred.

Note 2. MINING PROPERTIES, EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES The company holds the following interests:

		Mining Properties	Exploration and Development	Total
(a)	100% interest in various claims in the Red Lake Area of Ontario for 626,623 shares valued at \$458,523 and cash \$7,500	\$ 466,024	\$ 162,599	\$ 628,623
(b)	26.67% interest in various claims in the Flin Flon Area of Manitoba acquired for cash	7,792	23,369	31,161
(c)	25% interest in various claims in the Shelby Lake Area of Ontario acquired for cash	1,500	5,000	6,500
(d)	7½% interest in various claims in the James Bay Area of Ontario acquired for cash	2,400	139,633	142,033
(e)	47½% interest in various claims in the Weisner Lake Area of Ontario acquired for cash	775	11,340	12,115
(f)	36% interest in various claims in the Russell Lake Area of Saskatchewan acquired for cash	5,510	353	5,863
		484,001	342,294	826,295
Adn	ninistrative expenses	_	435,683	435,683
		\$ 484,001	\$ 777,977	\$1,261,978

Note 3. Loss Re Investment in Interprovincial Helicopters Limited

The company owns a 25% interest in Interprovincial Helicopters Limited (Interprovincial) and had given a guarantee with respect to 25% of the line of credit extended to that company by its bankers. During the year the company was obligated to pay its guaranteed portion of Interprovincial's bank loan.

Note 4. LONG-TERM CONTRACT

The company has entered into a lease for office space expiring February 28, 1981. The lease provides for the yearly rental of \$5,850.